

**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
FINANCE, REVENUE AND BONDING COMMITTEE
Monday, March 2, 2009**

**HB 6558, An Act Concerning The Imposition Of Service Fees By Municipalities
HB 6560, An Act Concerning Municipal Authority To Set Fees And Increase Fines**

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony in opposition to **HB 6558, An Act Concerning The Imposition Of Service Fees By Municipalities;** and, **HB 6560, An Act Concerning Municipal Authority To Set Fees And Increase Fines.**

HB 6558 and HB 6560 would allow municipalities to impose service fees for police and fire protection and trash removal on certain tax-exempt properties.

Providing patients and communities with the finest quality healthcare services is the highest priority for Connecticut's not-for-profit hospitals. Hospitals fulfill a vital role, caring for Connecticut residents 24 hours a day, seven days a week, and they make enormous contributions to the health and quality of life for millions of Connecticut residents. Last year, Connecticut hospitals provided 2.1 million days of inpatient care. In addition, hospitals provide a tremendous amount of outpatient care. Last year, Connecticut hospitals provided more than 6.8 million outpatient visits, including: 1.3 million emergency department visits; 179,000 ambulatory surgery visits; 31,000 cardiac procedures; 94,000 cardiac rehab visits; 153,000 gastroenterology procedures; 46,000 chemotherapy visits; 192,000 radiation therapy visits; 804,000 outpatient rehabilitation visits; 332,000 psychiatric care visits; and 623,000 primary care visits. Every moment of every day, hospitals touch the lives of Connecticut residents by providing high quality healthcare services.

Hospitals also make vital contributions to the state's economy. Connecticut's hospitals are both the economic bedrock and engine in their communities. They are major employers, offering jobs at all skill and salary levels in a growing employment sector. Connecticut hospitals won't move out of Connecticut in search of a more favorable business climate – Connecticut hospitals are here to stay. Hospital purchases provide important secondary income and job benefits to the local economy. Hospitals serve as a magnet for other healthcare business and serve as a stimulus for economic development, attracting other businesses into the community, such as retail shops, banks, grocery stores, and family restaurants. This past year, CHA conducted an analysis of the economic impact of Connecticut hospitals that shows Connecticut hospitals and health systems:

- Generate nearly **\$12.8 billion** per year for the state and local economies;
- Provide **97,000** jobs in our communities generating approximately **\$7.0** billion in annual local economy payroll; and
- Purchase goods and services generating approximately **\$5.8** billion annually in local economic activity.

During the last four years, there has been a 31% increase in hospital contributions to Connecticut's economy—from \$9.8 billion in 2004 to \$12.8 billion in 2007.

But the ability of Connecticut hospitals to continue to make such contributions is constantly threatened. Payments for individuals enrolled in state and federal programs always fall short of the amount needed to cover the cost of care. These deficits rob Connecticut hospitals of the dollars needed for investment in facilities and acquiring modern technology. As of today, it would take \$1.1 billion in investment by Connecticut hospitals to catch up to the nation in average age of physical plant.

The competing pressures of government funding cuts, the need to attract and maintain a superior workforce, rising input costs, and the continuous effort to improve the care given have put Connecticut's hospitals in a financially tenuous position. In 2008, 23 of the state's 28 not-for-profit acute care hospitals ended the year unable to collect enough patient revenue to cover the cost of care delivered to those patients.

Imposing additional fees on hospitals will do nothing to help hospitals meet the healthcare needs of the communities they serve and will significantly increase the cost of healthcare. Therefore, we ask you to vote against HB 6558 and 6560.

Thank you for your consideration of our position.

For additional information, contact CHA Government Relations at (203) 294-7310.

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